

Memorandum

TO: BUILDING BETTER
TRANSPORTATION COMMITTEE

FROM: James R. Helmer
Betsy Shotwell

SUBJECT: LEGISLATIVE REPORT

DATE: March 24, 2003

Approved

Date

RECOMMENDATION

Accept Legislative Report.

BACKGROUND

On January 14, 2003 the City Council approved legislative priorities for the year. Attached is a copy of the Transportation CSA's 2003 Legislative Policy and Federal Legislative Priorities. During the upcoming legislative session, these guidelines will direct City staff in making its legislative recommendations.

The objective of this report is to provide information and insights on legislative activities at both the federal and state levels. This year, budgets at all levels will continue to deteriorate in the face of the ongoing economic slump. Additionally, current conflicts overseas further remove the budgetary focus from domestic concerns. As a result, all manner of transportation funding is in jeopardy and projects could be greatly delayed or eliminated. It will require vigorous advocacy efforts to ensure that at least some significant level of transportation funding is maintained.

ANALYSIS

Federal

At the federal level there have recently been two major advocacy conferences that have featured transportation as an issue. During the second week of March, both the National League of Cities (NLC) and the American Public Transportation Association (APTA) held their annual legislative conferences in Washington, D.C. While providing a focus on member education, the main purpose of the conferences are to take time to meet with members from both the Congress and the Administration to discuss issues, policy positions and projects of importance to NLC and APTA. The City was well represented at the conferences by Vice-Mayor Pat Dando at NLC and Councilmembers Cindy Chavez and Forrest Williams at APTA.

While the NLC focused on several key items including Homeland Security, Clean Water, Clean Air and Water Infrastructure, and Affordable Housing, it also spent time addressing the reauthorization of the Transportation Equity Act for the 21st Century (TEA 21). The three major NLC principles for reauthorization are:

- Funding must be adequate to meet the infrastructure needs of cities
- The program must be flexible to allow cities to design, manage, and operate their transportation systems
- Inter-modal development needs to create a seamless transportation network for both passenger and freight transport

The APTA Conference also provided opportunities to visit Capitol Hill. The Metropolitan Transportation Commission (MTC) coordinates a region wide program of legislative visits to educate Congressional members and advocate for Bay Area projects. A regional approach is used by MTC that puts together teams of members from throughout the San Francisco Bay Area. The organization of multi-member teams highlights the regional approach and helps team members present a consistent message. By speaking with one voice the nine-county Bay Area has been successful in receiving federal funding for regional projects, including projects like the Tasman West Light Rail Line.

This year, MTC's top priorities included:

- TEA 21 Reauthorization
- Bay Area New Starts Authorization and 2004 Funding Requests
 - Request a multiyear funding authorization for the San Francisco Bay Area Regional Transit Expansion Program
 - Request \$169.9 million reimbursement for the BART extension to the San Francisco International Airport
 - Request \$10 million for preliminary engineering for the San Francisco Muni Third Street Light Rail Central Subway
 - Request \$10 million for preliminary engineering for the Silicon Valley Rapid Transit Corridor
- Funding for AC Transit's Bus Rapid Transit (BRT) Program
- Expanding the Ferry Discretionary Program
- Eliminating the Restriction on the Use of Toll Funds
- Grow the Highway and Transit Programs
 - Restore equal taxation of gasohol and redirect all gasohol tax revenues to the Highway Trust Fund
 - Credit interest earned on the fund balances in the Highway and Transit Trust Funds directly to the trust funds
 - Raise obligation limitations to match appropriation levels and spend down the Highway Trust Fund balance
 - Index the fuel tax to inflation

APTA's primary focus at the conference was the upcoming reauthorization of TEA 21 and issues related to the Administration's plans to fund transportation at a lower level than is needed and to make major changes to the federal transit program. Major provisions of the President's FY 2004 Budget request include:

- Transit funding frozen at FY 2003 level of \$7.2 billion
- Increasing the local share for New Starts grants to at least 50 percent while funding for highways continues to require only 20 percent in matching funds
- Eliminating the Discretionary Bus Capital program
- Changing funding sources for the New Starts program so that it would be general funded and possibly not protected by the same budgetary firewalls that currently exist

State

At the state level the on-going debate regarding how to solve the state's economic woes remains the highest priority for both the Governor and the Legislature. Transportation funds have been on the table as Sacramento attempts to resolve the overwhelming deficits projected for the state. In the Governor's mid-year budget reduction plan, transportation funding accounted for approximately \$1.8 billion of the \$10.2 billion that the Governor had requested in cuts. The City coordinates with the Santa Clara Valley Transportation Authority (VTA) on legislative issues deemed priorities including budgetary matters.

The use of transportation funding to offset state budget deficits has lead several legislators to introduce State Constitutional Amendments, to be put before the voters of California, which would lower the voter requirements needed to pass transportation sales tax measures. Given that transportation sales tax measures have been deemed to be special taxes by the California Courts, current measures require a two-thirds majority of the people voting on the measure to pass.

This two-thirds requirement has made it difficult for transportation authorities to pass or reauthorize transportation sales tax measures. While, in November 2000, voters in Santa Clara and Alameda counties reauthorized local transportation sales tax measures by majorities greater than the required two-thirds, one year later, in November 2002, four counties attempted to reauthorize their measures (Fresno, Madera, Merced, and Riverside) and only Riverside County was able to pass its measure with the required super majority (66.7 percent). Fresno County's measure received 53.89 percent, Madera County's 50.07 percent, and Merced County's 61.31 percent and were all defeated. Additionally, Solano County attempted to pass its first transportation measure, which went down to defeat, yet garnered 60 percent of the vote. It is estimated that the so called "Self-help" Counties, counties that have passed transportation sales tax measures to fund local transportation programs, provide up to an additional \$1.2 billion annually statewide for transportation infrastructure improvements.

A sample of current legislation that would change voter requirements include:

- ACA 7 (Dutra), which if passed by California voters would lower the voter threshold for transportation sales tax measures to 55 percent
- ACA 9 (Levine), which if passed by California voters would change voter requirements on general and special taxes. If passed this legislation would flip the voter requirements so that general taxes would require a two-thirds majority and special taxes could be passed with a simple majority vote. Currently the opposite is true.
- SCA 2 (Torlakson), which if passed by the voters of California would lower the threshold on local transportation measures to a simple majority, but would require that 25 percent of the revenues be used for smart growth planning.

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